

# HOUSE BILL No. 1235

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 12-15.

**Synopsis:** Life insurance and Medicaid. Allows the state to use federal or state Medicaid funds to pay life insurance premiums and other costs for a Medicaid recipient or applicant who assigns the life insurance policy to the state or makes the state a beneficiary of the life insurance policy. Provides that the value of a life insurance policy that is assigned to the state or makes the state a beneficiary is disregarded in determining the applicant's or recipient's eligibility for Medicaid.

**Effective:** July 1, 2004.

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**Brown T, Denbo**

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January 15, 2004, read first time and referred to Committee on Insurance, Corporations and Small Business.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## HOUSE BILL No. 1235

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 12-15-1-20 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2004]: **Sec. 20. To the extent allowed by federal law, the office**  
4 **may use federal or state funds under the Medicaid program to pay**  
5 **the premiums and other expenses related to a life insurance policy**  
6 **that:**

7           **(1) is owned by an applicant or a recipient; and**

8           **(2) either:**

9               **(A) is assigned to the state; or**

10            **(B) makes the state a beneficiary in an irrevocable election.**

11       SECTION 2. IC 12-15-3-1, AS AMENDED BY P.L.128-1999,  
12 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
13 JULY 1, 2004]: Sec. 1. (a) Except as provided in subsection (b) **and**  
14 **section 7 of this chapter**, an applicant for or recipient of Medicaid is  
15 ineligible for assistance if the total cash value of money, stock, bonds,  
16 and life insurance owned by:

17           (1) the applicant or recipient is more than one thousand five

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hundred dollars (\$1,500) for assistance to the aged, blind, or disabled; or

(2) the applicant or recipient and the applicant's or recipient's spouse is more than two thousand two hundred fifty dollars (\$2,250) for medical assistance to the aged, blind, or disabled.

(b) In the case of an applicant who is an eligible individual, a Holocaust victim's settlement payment received by the applicant or the applicant's spouse may not be considered when calculating the total cash value of money, stock, bonds, and life insurance owned by the applicant or the applicant's spouse.

SECTION 3. IC 12-15-3-2, AS AMENDED BY P.L.128-1999, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) **Except as provided in section 7 of this chapter**, if the parent of an applicant for or a recipient of assistance to the blind or disabled who is less than eighteen (18) years of age owns money, stock, bonds, and life insurance whose total cash value is more than one thousand five hundred dollars (\$1,500), the amount of the excess shall be added to the total cash value of money, stock, bonds, and life insurance owned by the applicant or recipient to determine the recipient's eligibility for Medicaid under section 1 of this chapter.

(b) However, a Holocaust victim's settlement payment received by the parent of an applicant for or a recipient of assistance may not be added to the total cash value of money, stock, bonds, and life insurance owned by the applicant or recipient to determine the recipient's eligibility for Medicaid under section 1 of this chapter.

SECTION 4. IC 12-15-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. **Except as provided in section 7 of this chapter**, if the parents of an applicant for or a recipient of assistance to the blind or disabled who is less than eighteen (18) years of age own money, stock, bonds, and life insurance whose total cash value is more than two thousand two hundred fifty dollars (\$2,250), the amount of the excess shall be added to the total cash value of money, stock, bonds, and life insurance owned by the applicant or recipient to determine the recipient's eligibility for Medicaid under section 1 of this chapter.

SECTION 5. IC 12-15-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. **Except as provided in section 7 of this chapter**, the office may set the total cash value of money, stock, bonds, and life insurance that an applicant for or a recipient of Medicaid may own without being ineligible for Medicaid in cases not described in section 1 of this chapter.

SECTION 6. IC 12-15-3-7 IS ADDED TO THE INDIANA CODE

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1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
2 1, 2004]: Sec. 7. (a) The total value of a life insurance policy owned  
3 by an applicant or a recipient may not be considered as a resource  
4 in determining the applicant's or recipient's eligibility for Medicaid  
5 if the applicant or recipient:  
6 (1) makes an irrevocable election to name the state as the  
7 beneficiary of the life insurance policy; or  
8 (2) assigns the insurance policy to the state.  
9 (b) The state has an insurable interest in an applicant or a  
10 recipient who assigns a life insurance policy to the state or names  
11 the state as beneficiary of the life insurance policy under this  
12 section.

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